

## Message Text

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ORIGIN EB-07

INFO OCT-01 NEA-10 ISO-00 CIAE-00 COME-00 DODE-00 DOTE-00  
FMC-01 INR-07 NSAE-00 SAL-01 CG-00 DLOS-06 OES-06  
/039 R

DRAFTED BY EB/TCA/MA:CTAYLOR,JR.:EW  
APPROVED BY EB/TCA/MA:RKBANK  
NEAINS:JGRAHAM

----- 054738 /11

R 180325Z DEC 76  
FM SECSTATE WASHDC  
TO AMEMBASSY NEW DELHI  
INFO AMCONSUL BOMBAY  
AMCONSUL CALCUTTA  
AMCONSUL MADRAS

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E.O. 11652:N/A

TAGS: EWWT, IN

SUBJECT: SHIPPING: PROPOSED GOI CENTRALIZED FREIGHT  
BOOKING OFFICE

REF: A) NEW DELHI 15614, B) NEW DELHI 15576 (CALCUTTA 2616)  
C)CALCUTTA 2757

1. SHIPPING INDUSTRY SOURCES HAVE CALLED DEPARTMENT'S  
ATTENTION TO NOVEMBER 8 ARTICLE IN THE ECONOMIC TIMES  
(ENTITLED "DELHI MOVE IRKS FOREIGN LINES") STATING THAT  
RECOMMENDATION FOR ESTABLISHMENT OF CENTRALIZED FREIGHT  
BOOKING OFFICE CONTAINED IN IIFT STUDY (REF A, PARA 2)  
WOULD SHORTLY BE CONSIDERED IN "INTERMINISTERIAL DIS-  
CUSSIONS." ACCORDING TO ECONOMIC TIMES ARTICLE, THESE  
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DISCUSSIONS WILL BE FOLLOWED BY CONSULTATIONS WITH  
SHIPPING LINES, SHIPPERS AND "OTHER INTERESTS", AFTER  
WHICH PROPOSAL WILL BE SUBMITTED TO CABINET FOR APPROVAL.

2. SOME SHIPPING INDUSTRY SOURCES BELIEVE THAT, AS TONE  
OF ECONOMIC TIMES ARTICLE SUGGESTS, CREATION OF CENTRAL-

IZED FREIGHT BOOKING OFFICE IS NOW VIRTUALLY FOREGONE CONCLUSION AND THAT REMAINING CONSULTATIONS, ETC. ARE LITTLE MORE THAN CHARADE FOR PUBLIC RELATIONS PURPOSES. THIS VIEW SEEMS SUPPORTED BY REF B, PARA 7, ALTHOUGH REF C, PARA 5 PRESENTS MORE SKEPTICAL VIEW.

3. IN VIEW OF FACT THAT A MAJOR PURPOSE OF PROPOSED BOOKING OFFICE IS TO INSURE THAT INDIAN LINES GET SUBSTANTIAL PART OF CARGO, IT IS GENERALLY ASSUMED IN SHIPPING CIRCLES HERE THAT IF BOOKING OFFICE ESTABLISHED, ITS ENACTMENT WILL INCLUDE MECHANISM FOR DIRECTING OR REQUIRING THAT SPECIFIED PERCENTAGE OF COMMERCIAL EXPORT CARGOES BE CARRIED ON INDIAN-FLAG VESSELS. GENERAL ASSUMPTION IS THAT SPECIFIED PERCENTAGES WILL BE ALONG LINES OF 40:40:20 FORMULA OF UNCTAD CODE OF CONDUCT FOR LINER CONFERENCES. THIS IMPRESSION HAS APPARENTLY BEEN STRENGTHENED BY STATEMENT ATTRIBUTED TO UNION MINISTER OF STATE FOR SHIPPING AND TRANSPORT TRIVEDI IN NOVEMBER 3 ISSUE OF BUSINESS STANDARD THAT INDIA HAS "UNQUALIFIED RIGHT" TO CARRY 40 PER CENT OF ITS TRADE.

4. DEPARTMENT REALIZES THAT CONFIDENTIALITY SURROUNDING IIFT REPORT MAY MAKE IT DIFFICULT FOR EMBASSY TO ENLARGE ON REPORTING CONTAINED IN REFTELS. IF POSSIBLE, HOWEVER, DEPARTMENT WOULD APPRECIATE HAVING UPDATED EMBASSY ESTIMATE ON CURRENT PROSPECTS FOR FREIGHT BOOKING OFFICE. REFTELS HAVE GIVEN EXCELLENT PICTURE OF SUPPORTING AND OPPOSING FACTIONS IN INDIAN COMMERCIAL WORLD. DEPARTMENT WOULD BE INTERESTED IN EMBASSY'S ESTIMATE OF WHETHER SIMILAR DIVISIONS EXIST WITHIN GOI OR WHETHER GOI AGENCIES GENERALLY SUPPORT PROPOSAL. LIMITED OFFICIAL USE

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DEPARTMENT PARTICULARLY INTERESTED IN WHETHER EMBASSY SHARES SHIPPING INDUSTRY VIEW THAT SCHEME, IF ENACTED, IS LIKELY TO INCLUDE PROVISIONS FOR MANDATORY ALLOCATION OF CARGO BY FLAG.

5. FYI. ESTABLISHMENT OF CENTRALIZED FREIGHT BOOKING OFFICE PER SE IS NOT OF CONCERN TO USG. DEPARTMENT IS CONCERNED, HOWEVER, BY CONFLICTS OF LAW WHICH WOULD ARISE IF SCHEME INCORPORATED DISCRIMINATORY PROVISIONS FOR CARGO ALLOCATION. IF MANDATORY CARGO ALLOCATION PROVISIONS SEEM AT ALL LIKELY, WE MAY WISH TO TAKE MATTER UP WITH GOI AUTHORITIES BEFORE GOI BECOMES PUBLICLY COMMITTED TO SCHEME. WILL ADVISE EMBASSY FURTHER ON RECEIPT OF RESPONSE TO THIS TELEGRAM. END FYI. KISSINGER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
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**Concepts:** TRADE DISCRIMINATION, STEAMSHIP LINES, ALLEGATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 18 DEC 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** vogelfj  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Document Unique ID:** 00  
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**Film Number:** D760465-1149  
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Margaret P. Grafeld  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** SHIPPING: PROPOSED GOI CENTRALIZED FREIGHT BOOKING OFFICE  
**TAGS:** EWWT, IN  
**To:** NEW DELHI  
**Type:** TE  
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